

Explanation of Calendar Year (CY) 2014 Final Obligations for October through December Covering the January through December Funding Period

Public Housing Operating Fund

The Department has obligated funds for Operating Fund subsidies for the months of October through December 2014 (based on the current 2014 Appropriation). These are the final obligations for the January through December Funding Period. The next obligations will be for the 2015 funding period will be provided by January 1, 2015.

Final Project Eligibility Levels for CY 2014 used for the October through December funding

The CY 2014 project HUD-52723s data were used as the basis for the CY 2014 final eligibility determination. Obligations to projects and PHAs are determined by the eligibility as identified in the HUD-52723 submitted by the PHA, and then reviewed, modified if needed, and approved by the Field Office.

Flat Rent Adjustment and Final Proration Levels for CY 2014

In the 2014 Appropriations Act Congress appropriated \$4.4 billion in Operating Subsidy, and indicated that HUD should take into account the impact of changes in flat rents on public housing agencies' formula income levels in determining funding allocations for public housing agencies. In the President's 2014 budget, flat rent savings were estimated at \$40 million and resulted in a lowered budget request based on anticipated savings. Given the timing and complexities associated with the implementation changes in the flat rent provisions, it was not possible for the Department to specifically determine the impact of flat rent changes for each PHA. Therefore, HUD determined eligibility for all PHAs based on the Operating Subsidy formula, or their respective MTW contract agreement, and disbursed the final amount appropriated by Congress. As detailed in the proration explanation, Operating Subsidy eligibility for CY 2014, before adjustments, was \$4,990,746,590. After taking the impact of flat rent into account, and adjusting for other factors, final eligibility was \$4,953,915,658, resulting in a proration amount of 88.79%.

CY 2014 Final Proration Calculation		
#	Description	Amount
1	CY 2014 Appropriation	\$ 4,400,000,000
2	Estimated RAD Reapportionment	\$ 1,331,722
3	Amount Available for Distributions	\$ 4,398,668,278
4	CY 2014 Eligibility as of 09/12/14	\$ 4,990,746,590
5	Adjustment for Formula Income Flat Rents	\$ (40,000,000)
6	Add: Eligibility for HTK & MHP Submissions	\$ 169,068
7	Revisions, Adjustments, Deoblg/Recapt	\$ 3,000,000
8	Total Eligibility (4 through 7)	\$ 4,953,915,658
9	Proration (3) / (8)	88.79%

The obligation letters for the October through December amounts will be posted by the Financial Management Division (FMD) on the Calendar Year 2014 Subsidy Processing website within the next 7 working days at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2014

Additionally, an updated explanation will be posted providing the “Final Operating Fund Eligibility Summary” of key formula components.